AMENDED IN ASSEMBLY AUGUST 17, 2004 AMENDED IN ASSEMBLY JUNE 17, 2004 AMENDED IN SENATE APRIL 26, 2004

SENATE BILL

No. 1817

Introduced by Senators Scott and Alpert

(Coauthors: Assembly Members Daucher and Liu)

February 20, 2004

An act to amend Section 71090 of, to add Section 71026 to, and to repeal Section 71090.5 of, the Education Code, relating to higher education governance, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1817, as amended, Scott. Higher education governance: community colleges.

(1) Existing

Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges, and provides the board of governors with specified powers and duties. Existing law authorizes the establishment of community college districts under the administration of local community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state.

This bill would would authorize the board of governors to approve transfers of moneys between General Fund appropriations for the California Community Colleges and within and between schedules thereof and categories of schedules, unless restricted by statute. The bill would require the board of governors to report these transfers on a

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quarterly basis to the Joint Legislative Budget Committee and the appropriate legislative fiscal committees.

The bill would specifically authorize the board of governors to receive and deposit grants and contributions in a California Community Colleges Special Projects Fund, which the bill would create, and would continuously appropriate all money in the fund to the board of governors for its operation, support, and development, and for that of the chancellor's office, through research, workshops, conferences, institutes, special projects, or other purposes consistent with restrictions imposed by the funding source. The bill would require the board of governors to make provision for reimbursing the General Fund for space and services furnished to projects funded from the California Community Colleges Special Projects Fund.

The bill would expressly authorize the board of governors to approve in-state and out-of-state travel and the payment of travel allowances. The bill would authorize the board of governors to establish new positions and make changes in existing positions, consistent with available funding.

Except as to projects funded from the California Community Colleges Special Projects Fund, the bill would limit to a single fiscal year all of the above actions of the board of governors, and those actions would be subject to audit by the Department of Finance and legislative review prior to extension into another fiscal year.

The bill would declare the intent of the Legislature to give the board of governor's maximum financial responsibility and greater flexibility in financial affairs. The bill would also make various other declarations of legislative intent.

(2) Existing

Existing law authorizes the board of governors to appoint a chief executive officer, known as the Chancellor of the California Community Colleges, and to fix his or her compensation, subject to the approval of the Department of Personnel Administration.

This bill would authorize the board of governors to employ up to 6 deputy and vice chancellors appointed by the Governor upon recommendation of the board of governors.

This bill would remove the requirement for approval by the Department of Personnel Administration of the salaries of the chancellor and the deputy and vice chancellors.

Vote: majority. Appropriation: yes no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature that:

- (a) The effectiveness of the office of the Chancellor of the California Community Colleges be increased.
- (b) The state's interest in the fiscal integrity of the California Community Colleges be carried out.
- (c) The existing relationship between community college districts and the chancellor's office be maintained and local decisionmaking authority of community college districts be unaffected.
- (d) All employment rights and benefits of the chancellor's office employees in the State Civil Service be maintained.
- (e) The chancellor's office manage its own staff and budget within the annual amount provided by the state and other sources for support.
- SEC. 2. Section 71026 is added to the Education Code, to read:
- 71026. (a) Notwithstanding any other provision of law, the board of governors shall have the authority to do all of the following with respect to all appropriations for the support of office of the Chancellor of the California Community Colleges and the board of governors:
- (1) The board of governors, with regard to funds appropriated for the support of the office of the Chancellor of the California Community Colleges, may approve any transfer of funds between appropriations from the state's General Fund, and within and between any category designated in any schedule in the appropriation, unless restricted by the Budget Act or any other statute. Pursuant to this authority, the board of governors may also authorize the augmentation of the amount available for a category designated in any schedule set forth for the appropriation by transfer from any of the other designated categories, including additional reimbursements and amounts receivable within the same schedule, and shall furnish the Joint Legislative Budget Committee and the appropriate legislative fiscal committees a report of the authorizations given pursuant to this paragraph during the preceding quarter.
- (2) Grants and other contributions of any nature may be received by the board of governors from any public or private

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source and for deposit in the California Community Colleges Special Projects Fund, which is hereby created. Notwithstanding 3 Section 13340 of the Government Code, all money in this fund is hereby continuously appropriated, without regard to fiscal years, 5 to the board of governors for the operation, support, and development of the board of governors and the chancellor's office 6 7 through research, workshops, conferences, institutes, special projects, or any other activity consistent with the restrictions 8 9 imposed by the funding source. Provision shall be made by the board of governors for reimbursements to the General Fund for the 10 cost of space and services furnished to projects funded by the 12 California Community Colleges Special Projects Fund.

- (3) The board of governors may approve travel, both within and outside the state, and the payment of travel allowances established by the board of governors.
- (4) The board of governors may, within funds appropriated for the support of the office of the Chancellor of the California Community Colleges, establish new positions and make changes in existing positions.
- (b) It is the intent of the Legislature in enacting this section to give the board of governors maximum responsibility within available funding. It is the further intent of the Legislature to allow the board of governors greater flexibility in its financial affairs.
- (e) All actions of the board of governors taken pursuant to this section, except those pursuant to paragraph (2) of subdivision (a), shall be limited to the fiscal year in which the action is taken and shall be subject to audit by the Department of Finance, as well as legislative review, prior to extension into the subsequent fiscal year.

SEC. 3.

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- SECTION 1. Section 71090 of the Education Code is amended to read:
- 71090. (a) The board shall appoint and fix the compensation of a chief executive officer, to be known as the Chancellor of the California Community Colleges.
- (b) The chancellor shall execute the duties and responsibilities as may be delegated to him or her by the board. Whenever in this code a power is vested in the board, the board, by a majority vote, may adopt a rule delegating that power to the chancellor or any

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officer, employee, or committee as the board may designate. The rule shall prescribe the limits of the delegation.

- (c) In addition to the position authorized by subdivision (f) (e) of Section 4 of Article VII of the California Constitution, the board of governors shall employ and fix the salaries of up to six deputy chancellors and vice chancellors, who shall be exempt from the civil service and who, following recommendation by the board of governors, shall be appointed by the Governor. The appointments shall not exceed an aggregate total of six, for the positions of both deputy chancellor and vice chancellor.
- (d) In accordance with subdivision (a) of Section 19825 of the Government Code, the approval of the Department of Personnel Administration shall not be required for establishment of the salaries of the Chancellor of the California Community Colleges, deputy chancellors, and vice chancellors, which shall be subject only to the approval of the board of governors before becoming effective and payable.
- 18 SEC. 4.

19 SEC. 2. Section 71090.5 of the Education Code is repealed.